

Milwaukee County Employees' Retirement System (ERS)

Investment Committee Meeting

MINUTES

Call to Order:

Chairperson, Sarah Peck called the meeting to order at 2:30 pm, on 1-3-11, in Room 203-P, of the Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, WI. 53233.

Roll Call:

Board Members Present:

John Maier
Keith Garland
Sarah Peck

Others Present

Gerry Schroeder
Ray Caprio
Brett Christenson
Dale Yerkes
Roger Kerkenbush

Three (3) handouts were provided to the Board members and others in attendance:

- International Equity – Marquette Associates
- 2011 Pension Board Investment Manager Interview Schedule
- Annual Pension Board Meeting Agenda - Informational

1. **Topic: Monthly Flash Report – Marquette Associates**

No Flash Report was prepared for this meeting. Instead, International Equity was discussed.

There are two benchmarks to evaluate annualized performance: **MSCI EAFE** and **MSCI ACWI ex U.S.** MSCI EAFE tracks the equity performance of developed markets, excluding the U.S. and Canada. The **MSCI EAFE** has 22 countries included in this benchmark. Some of these countries were Austria, Belgium, France, Germany, Greece, Japan, Spain and the United Kingdom. **MSCI ACWI ex U.S.** tracks performance of developed and emerging markets, excluding the U.S. There are 44 countries (23 developed and 21 emerging market) within this category. Some of these countries are: Brazil, Chile, Czech Republic, Indonesia, Mexico, South Africa, Turkey and Taiwan.

Under MSCI EAFE, Europe represents 63.1% of the benchmark. MSCI ACWI ex.U.S., has less of an exposure to Europe (32.8%). Overall, MSCI ACWI does

better. A ten year analysis shows the following comparison: MSCI ACWI at a +5.5 and MSCI EAFE at +3.5.

2. Topic: **GMO Alert Status – Marquette Associates**

GMO continues to be monitored relating to performance standards.

3. Topic: **2011 Committee Meetings Schedule & Participation**

The committee agreed to proceed with the schedule with no modifications. The 2011 members of the Investment Committee are Sarah Peck, John Maier, Jeffrey Mawicke, Linda Bedford and Keith Garland.

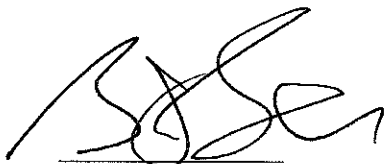
John Maier will contact the newer members of the Pension Board (David Sikorski & Donald Weber) for possible committees participation.

4. Topic: **2011 Investment Manager Schedule – Pension Board Presentations**

The schedule was approved by the committee with the understanding that if a Board meeting was cancelled, the rotation of managers would continue. It was also noted that there are managers (J.P. Morgan, GMO & Infrastructure) not included in this list that could be scheduled for Investment Committee presentations. Other topics for Investment Committee presentations could include Frontier Markets, Active vs Passive and U.S. Equity.

At the February Investment Committee, Marquette will do a presentation on the Asset Allocation process.

5. Adjournment: **The Investment Committee adjourned at 3:10 pm.**



Gerald J. Schroeder
ERS Manager